



September 20, 2007

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *In the Matter of the Petition of Telcordia Technologies, Inc. To Reform Amendment 57 and to Order a Competitive Bidding Process for Number Portability Administration*, WC Docket No. 07-149

Consumers Union, publisher of Consumer Reports, supports competitive bidding for number portability administration, and believes the Commission should consider removing the contractual provisions that prevent obtaining such services at the lowest possible price. Consumers pay the price if the telecommunications industry has agreed to pay too much for these services. Many carriers put line items on telephone bills to recover these charges. The Commission, through exercise of its retained oversight authority, must make sure that these contracts are administered in a way that best protects consumers.

Competitive bidding has long been recognized as the best way to ensure that an entity gets the best price for the services they want to purchase. That's why the government requires competitive bidding as the rule, rather than the exception. The number portability administration contract, however, although competitively bid in 1997, has not been subject to competitive bid since. What was initially bid as a contract to run through 2002, has now been extended three times without competitive bidding, and now does not expire until 2015.

Telcordia has challenged contract provisions that have the clear effect of preventing competitive bidding and lower rates for the next four years – until 2012. Indeed, these clauses impose a \$30 million annual penalty simply for making a statement that the industry intends to seek lower rates or competitive alternatives. We question the purpose of these contract provisions, which essentially block the negotiation of lower rates, and mean that carriers – and therefore consumers – are locked in to paying higher rates.

In its petition, Telcordia estimates that an open bidding process would result in number portability charges that are at least \$60 million per year lower than today – or \$240 million in savings between now and 2012. Whether or not that estimate is right, the primary value of competitive bidding for contracts is that the bidding process will ensure that these charges are as low as possible.

We would note that consumers have realized enormous benefit from number portability and Consumers Union is raising no issues here with NeuStar's performance in implementing the portability database.

Consumers Union urges the Commission to carefully consider Telcordia's petition, and to reestablish the primacy of competitive bidding to ensure that consumers are not being required, directly or indirectly, to pay more than they need to pay to administer the number portability database.

Sincerely,

/s/

Chris Murray, Senior Counsel
Consumers Union